

the condition of education 2006



INDICATOR 49

Total and Net Access Price of Attending a Postsecondary Institution

The indicator and corresponding tables are taken directly from *The Condition of Education 2006*. Therefore, the page numbers may not be sequential.

Additional information about the survey data and supplementary notes can be found in the full report. For a copy of *The Condition of Education 2006*, visit the NCES website (<http://nces.ed.gov/pubsearch/pubsinfo.sap?pubid=2006071>) or contact ED PUBs at 1-877-4ED-PUBS.

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Finance

Total and Net Access Price of Attending a Postsecondary Institution

For full-time dependent undergraduates, larger grants and loans generally compensated for increases in the total price of attending in the 1990s. Since 1999–2000, however, the net access price of attending a public 4-year institution has increased.

What and how undergraduates and their families pay for college have changed since the early 1990s. Growth in tuition and fees outpaced both inflation and median family income during this period (The College Board 2004) and the financial aid system changed. At the federal level, the 1992 reauthorization of the Higher Education Act expanded eligibility for financial aid, raised loan limits, and introduced unsubsidized loans for students regardless of income. Also, during the 1990s, the federal government introduced tax credits to ease the burden of paying for college, and states and institutions increased their grant programs, particularly programs considering merit (The College Board 2004; Horn and Peter 2003).

The total price of attending a postsecondary institution (also called “the student budget”) includes tuition and fees, books and materials, and an allowance for living expenses. In 2003–04, the average price of attendance for full-time¹ dependent students was \$9,800 at public 2-year institutions, \$15,100 at public 4-year institutions, \$29,500 at private not-for-profit 4-year institutions, and \$18,100 at private for-profit less-than-4-year institutions. Between 1989–90 and 1999–2000, the average total price of attendance for these students increased at each of the four major types of institutions. Between 1999–2000 and 2003–04, it increased again at public 2-year institutions and at both types of 4-year institutions.

Many students and their families do not pay the full price of attendance, but receive financial aid to help cover their expenses. The primary types of aid are grants, which do not have to be repaid, and loans, which must be repaid.² Grants (including scholarships) may be awarded on the basis of financial need, merit, or both and include tuition aid from employers. The loan amounts reported in this indicator include student borrowing through federal, state, institutional, or alternative (private) loan programs and loans taken out by parents through the federal Parent Loans for Undergraduate Students (PLUS) program.

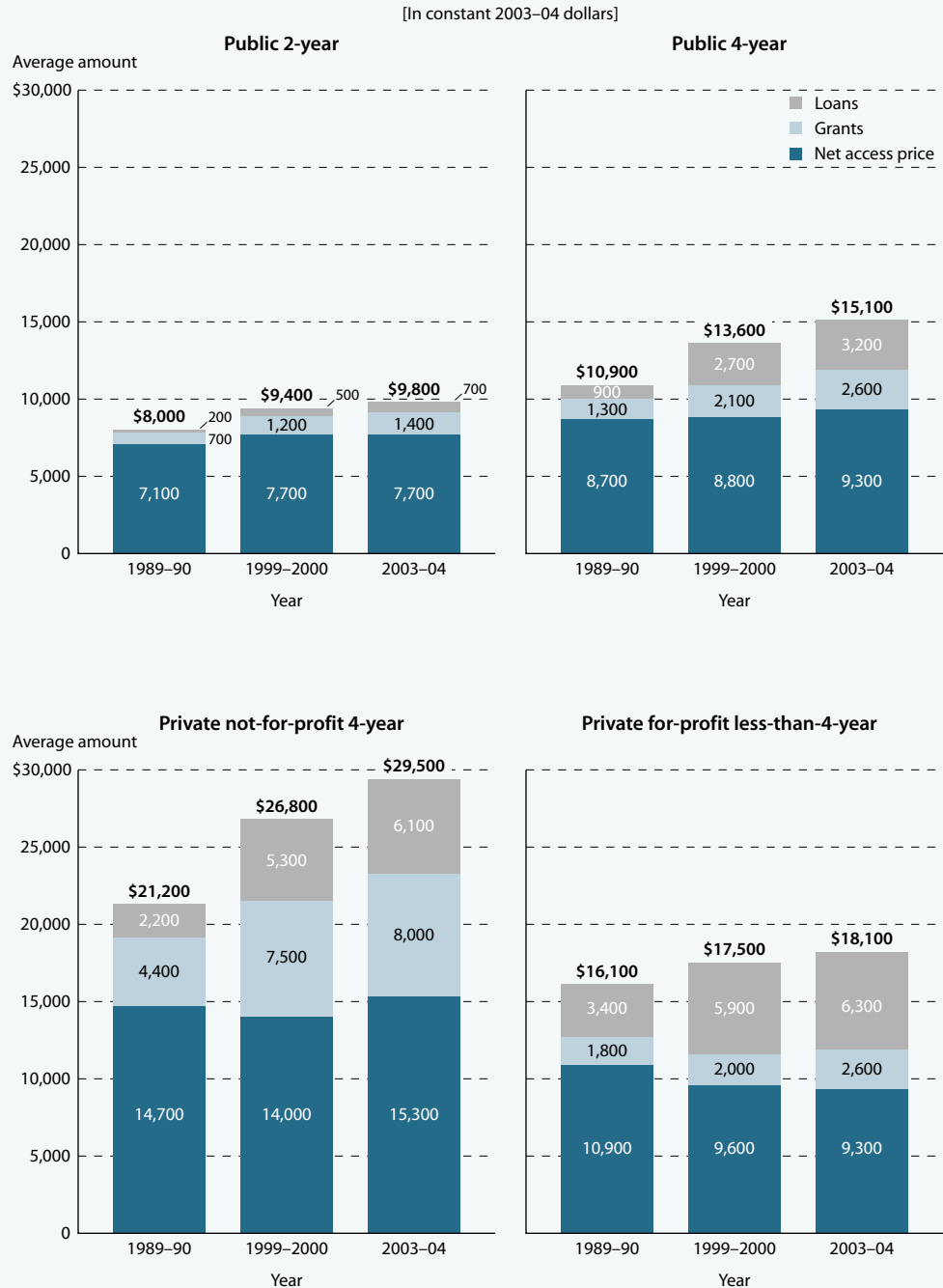
Between 1989–90 and 1999–2000, the average amount received in grants and the average amount borrowed, adjusted for inflation, both increased for full-time dependent undergraduates at public 2- and 4-year and private not-for-profit 4-year institutions. Between 1999–2000 and 2003–04, the average amount borrowed increased for students at public 2- and 4-year institutions and at private not-for-profit 4-year institutions. Increases in the average grant amount between 1999–2000 and 2003–04, however, were statistically significant only for students at public 4-year institutions.

The net access price is an estimate of the cash outlay that students and their families need to make in a given year to cover educational expenses. It is calculated here as the total price of attendance minus grants (which decrease the price) and loans (which postpone payment of some portion of expenses). Between 1989–90 and 1999–2000, grants and loans increased along with total price, and the only statistically significant increase in net access price occurred for full-time dependent undergraduates at public 2-year institutions. Between 1999–2000 and 2003–04, however, net access price increased at public 4-year institutions despite increases in both grants and loans during that period.

Within type of institution, families at different income levels were affected differently by changes in net access price (see supplemental table 49-1). For instance, while net access price increased overall at public 4-year institutions between 1999–2000 and 2003–04, only middle-income students faced statistically significant increases; there was no measurable change for low- and high-income students. At private not-for-profit 4-year institutions, where there was no statistically significant net access price increase overall between 1999–2000 and 2003–04, there was an increase for low-income students, but there was no measurable change for students at other income levels.



PRICE OF ATTENDANCE: Average total price, loans, grants, and net access price for full-time, full-year dependent undergraduates, by type of institution: 1989–90, 1999–2000, and 2003–04.



¹ Full time means they attended full time (as defined by the institution) for the full year (at least 9 months at a 2- or 4-year institution or 6 months at a less-than-4-year institution).

² Loans promote access to postsecondary education by providing the cash needed to enroll. However, because the funds must be repaid (with interest), loans defer rather than reduce the price of attending.

NOTE: Information on the use of tax credits by individual families is not available and therefore could not be taken into account in calculating net access price. Averages were computed for all students, including those who did not receive financial aid. Detail may not sum to totals because of rounding. Data adjusted by the Consumer Price Index for All Urban Consumers (CPI-U) to constant 2003–04 dollars. See *supplemental note 11* for more information about the CPI-U. Estimates exclude students who were not U.S. citizens or permanent residents, and therefore were ineligible for federal student aid; students who attended more than one institution in a year, because of the difficulty matching information on price and aid; and students who attended private for-profit 4-year institutions, because of their small number.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1989–90, 1999–2000, and 2003–04 National Postsecondary Student Aid Studies (NPSAS:90, NPSAS:2000, and NPSAS:04), previously unpublished tabulation (September 2005).



FOR MORE INFORMATION:
 Supplemental Notes 3, 11
 Supplemental Table 49-1
 NCES 2003-157
 NCES 2004-075
 NCES 2004-158
 The College Board 2004

Total and Net Access Price of Attending a Postsecondary Institution

Table 49-1. Average net access price for full-time, full-year dependent students after grants and loans, by type of institution and family income: 1989–90, 1999–2000, and 2003–04

Type of institution and family income	[In constant 2003–04 dollars]		
	1989–90	1999–2000	2003–04
Public 2-year			
Total	\$7,100	\$7,700	\$7,700
Low income	5,900	6,100	6,000
Lower middle income	7,500	7,900	7,800
Upper middle income	7,700	8,600	8,700
High income	7,300	8,900	8,800
Public 4-year			
Total	8,700	8,800	9,300
Low income	6,200	5,700	6,000
Lower middle income	8,200	8,200	8,700
Upper middle income	9,300	9,400	10,000
High income	10,500	11,200	11,600
Private not-for-profit 4-year			
Total	14,700	14,000	15,300
Low income	9,100	8,100	10,200
Lower middle income	11,800	11,900	12,400
Upper middle income	14,100	13,400	14,600
High income	20,700	19,700	21,000
Private for-profit less-than-4-year			
Total	10,900	9,600	9,300
Low income	9,500	8,100	8,000
Lower middle income	11,200	10,300	9,700
Upper middle income	12,500	10,700	10,000
High income	14,700	14,000	12,600

NOTE: The cutoff points for low, lower middle, upper middle, and high income were obtained by identifying the incomes at the 25th, 50th, and 75th percentiles. Adjusted to 2003–04 constant dollars, in 1989–90, the values were \$32,900, \$55,400, and \$85,800. In 1999–2000, they were \$34,200, \$59,600, and \$91,600. In 2003–04, they were \$32,400, \$59,400, and \$91,800.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1989–90, 1999–2000, and 2003–04 National Postsecondary Student Aid Studies (NPSAS:90, NPSAS:2000, and NPSAS:04), previously unpublished tabulation (September 2005).

Total and Net Access Price of Attending a Postsecondary Institution

Table S49. Standard errors for the average total price, loans, grants, and net access price for full-time, full-year dependent undergraduates, by type of institution: 1989–90, 1999–2000, and 2003–04.

[In constant 2003–04 dollars]			
Type of institution, price, and aid	1989–90	1999–2000	2003–04
Public 2-year			
Total price	\$160	\$120	\$200
Loans	40	60	50
Grants	50	120	70
Net price	190	220	170
Public 4-year			
Total price	90	110	120
Loans	30	50	60
Grants	40	40	40
Net price	90	100	90
Private not-for-profit 4-year			
Total price	450	400	370
Loans	70	170	190
Grants	120	170	230
Net price	370	490	460
Private for-profit less-than-4-year			
Total price	320	440	580
Loans	130	520	520
Grants	100	120	280
Net price	290	360	310

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1989–90, 1999–2000, and 2003–04 National Postsecondary Student Aid Studies (NPSAS:90, NPSAS:2000, and NPSAS:04), previously unpublished tabulation (September 2005).

Total and Net Access Price of Attending a Postsecondary Institution

Table S49-1. Standard errors for the average net access price for full-time, full-year dependent students after grants and loans, by type of institution and family income: 1989–90, 1999–2000, and 2003–04

[In constant 2003–04 dollars]			
Type of institution and family income	1989–90	1999–2000	2003–04
Public 2-year			
Total	\$190	\$220	\$170
Low income	320	380	240
Lower middle income	240	200	210
Upper middle income	210	270	270
High income	240	190	160
Public 4-year			
Total	90	100	90
Low income	120	130	160
Lower middle income	100	180	150
Upper middle income	90	130	160
High income	130	220	160
Private not-for-profit 4-year			
Total	370	490	460
Low income	220	220	600
Lower middle income	280	480	500
Upper middle income	230	570	510
High income	630	580	590
Private for-profit less-than-4-year			
Total	290	360	310
Low income	370	420	360
Lower middle income	410	570	490
Upper middle income	490	950	530
High income	930	520	690

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1989–90, 1999–2000, and 2003–04 National Postsecondary Student Aid Studies (NPSAS:90, NPSAS:2000, and NPSAS:04), previously unpublished tabulation (September 2005).